

90927INS1_R2_DISCAmendment 12/10/03 12:25 PM Page 1

Action Waiver"). Notwithstanding anything else to the contrary in this arbitration provision, only a court, and not an arbitrator, shall determine the validity and effect of the Class Action Waiver.

The fourth paragraph states that the permitted arbitration forums are the National Arbitration Forum and JAMS/Endispute. This is being revised to clarify that JAMS/Endispute is now called JAMS.

The third sentence of the fourth paragraph is also being revised to clarify that no other arbitration forum is permitted except as agreed to in writing.

No other arbitration forum will be permitted, except as agreed to pursuant to either the Change of Terms section or in writing signed by both parties.

The fifth paragraph is modified to clarify that the arbitrator is authorized to award all remedies permitted by the substantive laws that would apply if the action were pending in court. This paragraph also says that the party who appeals an award will pay the cost of the appeal, regardless of its outcome. It is being modified to say that this will be the case unless the law provides otherwise. We are also adding a provision stating that we will consider in good faith any reasonable request for us to bear the fees charged by the arbitration administrator and the arbitrators in connection with the appeal.

The fifth paragraph is amended to read in full:

Any arbitration hearing will take place in the federal judicial district where you reside. The arbitrator shall follow applicable substantive law to the extent consistent with the FAA and applicable statutes of limitations and shall honor claims of privilege recognized at law and shall be authorized to award all remedies permitted by the substantive laws that would apply if the action were pending in court. If requested by any party, the arbitrator shall write an opinion containing the reasons for the award. The arbitrator's decision will be final and binding except for any appeal rights under the FAA and except that if the amount in controversy exceeds \$100,000.00, any party may appeal the award within 30 days to a three-

arbitrator panel, which shall review the award de novo. Unless applicable law provides otherwise, the appealing party will pay the cost of the appeal, regardless of its outcome. However, we will consider in good faith any reasonable request for us to bear the fees charged by the arbitration administrator and the arbitrators in connection with the appeal. Judgment upon any award by the arbitrator may be enforced in any court having jurisdiction.

Governing Law

A new provision is being added to this section to say that if the Class Action Waiver set forth above in the Arbitration of Disputes section is invalidated in any proceeding in which you and we are involved, then the Arbitration of Disputes section will be void with respect to that proceeding.

...

AMENDMENT TO THE CASHBACK BONUS* PROGRAM AND CASHBACK BONUS PLUS PROGRAM TERMS AND CONDITIONS

The Cashback Bonus* award amount calculated based on purchases made during an annual period will be referred to as the Purchase Cashback Bonus award instead of the Traditional Cashback Bonus award.

...

IMPORTANT INFORMATION ABOUT THE REGISTER® SERVICE

Effective April 1, 2004, for new notifications to The Register® service of lost or stolen credit, debit or ATM cards, The Register service will no longer reimburse members for charges imposed by card issuers due to unauthorized credit, debit or ATM card use. The other features of The Register service are unchanged. If you have any questions about this change, please call us at 1-800-DISCOVER (1-800-347-2683).

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DISCOVER
CARD

NOTICE OF AMENDMENT TO DISCOVER® CARDMEMBER AGREEMENT

This notice informs you of changes and clarifications to the Discover Cardmember Agreement that will be effective and will apply to your Account for billing periods ending after April 1, 2004. These changes include revisions to the Arbitration of Disputes section. You have the right to reject these changes, as explained below. Please read this notice carefully and retain it with your records.

...

The following changes will apply to your Account unless you notify us in writing by March 25, 2004 that you reject them. Send your notice to P.O. Box 30933, Salt Lake City, UT 84130-0933. Your notice should include your name, address, telephone number and Account number(s) and should not be sent with any other correspondence. Calling us to indicate you reject these changes is insufficient notice. In order to process your notice, we require that the notice be provided by you directly and not through a third party. If you reject these changes, we will close your Account and you will pay us the balance that you owe us under the current terms of the Agreement. Note that these changes will not apply to your Account if your Account is closed by March 25, 2004. Use of your Account on or after March 26, 2004, means that you accept these changes even if you previously notified us that you did not agree to these changes.

EXHIBIT B

158 BLACK

Use of Your Account

Under the terms of the Agreement, if you have a dispute with a merchant over your satisfaction with a purchase and we issue a credit to your Account, you agree to assign to us your claim against the merchant and/or any third party. This section is being revised to clarify that after investigating your dispute we will issue a credit to your Account only if we resolve the dispute in your favor.

Unauthorized Use

This section states that if our records indicate you have an automatic billing arrangement with a merchant, we will attempt to provide your new Account number to the merchant, and you must contact the merchant if you do not want to continue the automatic billing arrangement. We are deleting this provision. If you wish to continue any such automatic billing arrangement, you will have to provide the merchant with your new Account number.

Minimum Monthly Payment

Under the current terms of the Agreement, we may request immediate payment of the amount by which you exceed your Account credit limit. We are revising this section to clarify that we may include in your minimum monthly payment all or a portion of the amount by which you exceed your Account credit limit. This would affect your Minimum Payment Due.

Credit Balances

This section states that if you do not request a refund, we will automatically refund credit balances greater than \$1.00 that remain in your Account after two billing periods. This is being revised to state that the automatic refund will be made after 6 months.

Default Rate Plan

Currently, if you fail twice to make a required payment or if you exceed your Account credit limit twice, then the standard ANNUAL PERCENTAGE RATE for purchases will be increased to 19.99%. We are modifying this section to add that under these circumstances, your ANNUAL

PERCENTAGE RATE for cash advances will also be increased to 19.99%.

As a result, the last sentence of the second paragraph of this section is revised to read:

In addition, if the standard Annual Percentage Rate for purchases is less than 19.99% and during the immediately preceding eleven billing periods we did not receive a required payment by the Payment Due Date, then the standard ANNUAL PERCENTAGE RATE for purchases will be increased to 19.99% (a Daily Periodic Rate of .05477%) and the standard ANNUAL PERCENTAGE RATE for cash advances will also be increased to 19.99% (a Daily Periodic Rate of .05477%) if it is currently less than 19.99%.

Also, the last sentence of the third paragraph is revised to read:

If the standard Annual Percentage Rate for purchases is less than 19.99%, then the standard ANNUAL PERCENTAGE RATE for purchases will be increased to 19.99% (a Daily Periodic Rate of .05477%) and the standard ANNUAL PERCENTAGE RATE for cash advances will also be increased to 19.99% (a Daily Periodic Rate of .05477%) if it is currently less than 19.99%.

Because we look at the current billing period as well as the previous eleven billings periods in reviewing your Account, we may review your Account status as far back as May 2003.

Pay-by-Phone Fee

We may from time to time allow you to make payments by authorizing us over the telephone to transfer or pay funds from a deposit account to your Account. We are changing the Pay-by-Phone Fee from \$10 to \$15 for each transfer or payment.

Default--Acceleration--Collection--Costs

We are adding a new provision to this section stating that you will be deemed to be in default if you fail to make a payment when due on any other account you have with us or with another creditor.

Cancellation

We are clarifying this section to state that if your Account is a joint Account, either Cardmember may cancel the Account, but you will both remain responsible for any amount owed to us.

Change of Terms

Currently some examples are provided of the terms and parts of this Agreement that we may change in accordance with this section. We are clarifying that the list of examples is not a complete list of what we can change.

Change of Address

Currently, if you change your address you must notify us of your new address within 15 days. This section is being revised to add that if you change your telephone number you must also notify us of the new number. This section will now be called CHANGE OF ADDRESS OR TELEPHONE NUMBER.

Arbitration of Disputes

The second paragraph of this section currently states that neither of us may arbitrate in court any claim as a representative or member of a class or in a private attorney general capacity. This is being modified to clarify that it applies to both arbitration and litigation so that neither of us may litigate in court or arbitrate any claim as a representative or member of a class or in a private attorney general capacity. This is referred to as the Class Action Waiver. We are also clarifying that only a court may determine the validity and effect of the Class Action Waiver.

The second sentence of this paragraph is revised to read, and a new sentence is added after it, as follows:

NEITHER YOU NOR WE SHALL BE ENTITLED TO JOIN OR CONSOLIDATE CLAIMS IN ARBITRATION BY OR AGAINST OTHER CARDMEMBERS WITH RESPECT TO OTHER ACCOUNTS OR LITIGATE IN COURT OR ARBITRATE ANY CLAIM AS A REPRESENTATIVE OR MEMBER OF A CLASS OR IN A PRIVATE ATTORNEY GENERAL CAPACITY ("Class